



# PORTLAND DISTRICT news

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Volume 1, Issue 2

*Your Partner in Business*

March, 2000



## A Word from our District Director-

If the first quarter of our fiscal year is any indication of what we can accomplish, then we are poised to have one of the best years in our district office history. We are especially

pleased that we are well on our way to increasing the access to our programs and services by the small businesses that we serve, and in particular the "New Markets". These "New Markets" are businesses owned by minorities, women, veterans and firms located in rural areas. We have set challenging goals for our office this year, and I am pleased that we are well on our way to accomplishing these goals. We are grateful for the support that we are receiving from our resource partners, lenders, large corporations and other federal agencies in assisting us to reach these new heights in loan making, contracting, and our business development efforts. I am also grateful for our staff for the excellent work that they do in spite of diminishing resources, both in terms of personnel and budgets.

Our annual "Salute to Small Business" awards dinner will be held on May 17<sup>th</sup> at the Benson Hotel in Portland. This event will showcase our small business community, and awards will be presented to our Small Business Person of the Year as well as to several small business advocates. I want to thank the firms that have contributed to make this event possible. Funds generated by this event will go to the support of our Business Resource Center, which is proving to be a valuable source of assistance to those aspiring entrepreneurs and to those wishing to strengthen their businesses. An enter-

taining evening is planned and I hope to see you there. For registration please contact Marty Smiley at 503-326-5223. Contact Moe Mowery at 503-326-5209 for more information about this event.

Finally, Gretchen Sorensen, Regional Administrator, has recently left our agency to seek new challenges in the high tech arena. Andrew Munro, Regional Advocate, has assumed the role of Acting Regional Administrator. We expect that a new Regional Administrator will be named soon.

Phil Gentry



## Mitigating the Effects of High Home Heating Oil Prices



The SBA has been asked to assist in areas being adversely affected by rising fuel oil prices to inform fuel oil dealers and SBA's lenders and technical assistance partners in their areas of the availability of SBA's programs to assist the fuel dealers.

The price of heating and fuel oil has continued to rise so that now many other small businesses, especially those engaged in trucking and logging, are experiencing serious cash flow problems. And, there is no indication that there will be any change in the pricing structure in the near future.

Many of the affected businesses may benefit immediately from technical assistance to help them develop short-and long-term cash flow analyses and plans for handling the additional unexpected costs. This is particularly important since lenders will be able to extend credit only when a business' cash flow projections support the conclusion that the business has the ability to pay its existing and

*(Continued on page 2)*

*To Provide Quality Resources that Make a Difference for Small Business*

(Continued from page 1)

anticipated obligations as well as to repay the new loan being requested.

When a business can demonstrate the requisite repayment ability over time, SBA's loan guaranty may enable a lender to provide the financing that will enable an impacted business to cope with its short-term cash flow problems. SBA staff can help lenders to identify the 7(a) loan product that will best meet an individual business' financing needs by taking into consideration such factors as the amount of money required and the repayment period and terms needed. For example, the Agency's regular 7(a) loan program can be very effective for those businesses that need immediate access to working capital and will require several years for full repayment. Other good alternatives for financing these businesses may be the "Seasonal" and "Small Asset Based" CAPLines programs or SBAExpress, although any SBA loan 7(a) loan product or process may be equally useful depending on the special needs of the individual business.

Questions about SBA financial assistance programs should be directed to local SBA offices.



FEBRUARY 2000 DEBUT FOR



MAGAZINE-STYLE BUSINESS  
TV TALK SHOW!

Portland's first magazine-style business talk show started airing in February. The half-hour, monthly-televised show airs in most areas of Oregon and Southwest Washington on Portland Cable Access

stations 11, 27, and 33. This monthly television series reaches 400,000 homes with advice on successfully starting or growing a thriving entrepreneurial enterprise.

Upcoming guests are: Oregon Public Broadcasting host, Hattie Bryant; CNN exercise guru, Victoria Johnson; syndicated columnist and "Networking Ninja," Jerry Fletcher; Plus-size Model Valery Foley; Tino Ornelas, Owner of Ornelas Enterprise, Inc., one of Oregon's Top 100 Fast Growing Companies; author and e-Commerce Expert, David Arnold; Carol Simintacchi, author of "Your Fat Is Not Your Fault" and "The Crazy Makers"; Bob Nelson, Best Selling Author of "1001 Ways to Energize Employees" and "1001 Ways to Reward Employees"; and cookie maven, Debbie Fields of Mrs. Fields' Cookies.

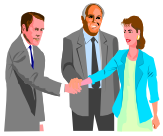
Additionally, *Dream Builders* highlights tips for a winning business game plan, free and low cost assistance for small business and entrepreneurs, plus smart marketing tricks to help businesses succeed.

"Statistically odds are against business start-ups," says Sylvia Gercke, co-producer and U.S. Small Business Administration Community Relations Officer. "The aim of *Dream Builders* is to reverse negative statistics through positive mentoring."

The backbone of *Dream Builders* includes Sylvia Gercke; Business Journalist and co-producer, Jennifer Dirks; e-tradingpost.com founder, Bianca Hein; "The Business Owner's Basic Toolkit for Success" author, Joan Hartley; and SBA's business research expert, Penny Williams. Collectively, they have over 50 years experience in playing business hardball!

This business show airs from Portland Cable Access stations 11, 27, and 33. For dates and times of programs check the web sites of *Dream Builders* at [www.dreambuilders.org](http://www.dreambuilders.org); PCATV at [www.pcatv.org](http://www.pcatv.org); SBA at [www.sba.gov](http://www.sba.gov); or SBA Portland District - [www.sba.gov/regions/states/or](http://www.sba.gov/regions/states/or).



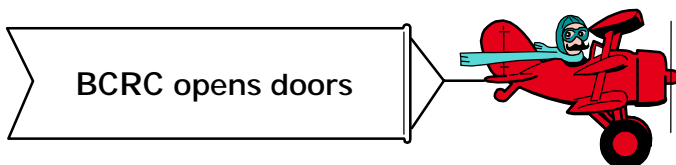


## OUTREACH TO BUSINESS RESOURCE PROFESSIONALS

Every business owner needs to constantly market products and services, and SBA is doing the same. Sylvia Gercke, Community Relations Officer for the SBA Portland District Office, is aware that part of the process of keeping customers consists of simply sharing what SBA knows about its new products and services.

Since the small business client communicates with attorneys, Certified Public Accountants, Tax Consultants, the IRS, the Oregon Department of Revenue, Secretary of State and City Licensing Bureaus, Sylvia has instituted an awareness campaign directed at these professionals. Sylvia states she wants to give these small business professionals a portfolio of what's new at SBA to assist them in making their small business clients successful.

Please direct any additional outreach suggestions to Sylvia at 503 326-5207.



The Portland District Office is pleased to announce the opening of the first **Business Capital Resource Center (BCRC)** located at the Lane CC Small Business Development Center location in Eugene, Oregon. The BCRC is a partnership between the U. S. Small Business Administration (SBA), Oregon Economic & Community Development Department (OECD), Oregon Small Business Development Center Network (OSBDCN) and local community organizations. It is designed to offer small business assistance from a common and easy to access location. Each center is unique and generally targets underserved clients or communities.

Small businesses historically have had difficulties accessing the necessary financial resources that

they need to develop and grow. The objective of the BCRC is to help clients improve their access to these resources by providing assistance in writing a business plan, a loan proposal or providing information on local capital resources, thereby providing increased funding opportunities to the small business community.

The cornerstone of each Business Capital Resource Center is a strong partnership between the three major resource partners, SBA, OECD, OSBDCN and the local community. The BCRC links vast resources with the unique insight of the local community. The BCRC is the ideal vehicle to better serve the small business community, in particular the underserved small businesses, and to contribute to the economic growth of Oregon.

The BCRC resource partners are committed to the success of the center and will make available the full range of their resources. The BCRC will offer an extensive small business library and publications, as well as computer resources. Extensive training and counseling services will be available from local Small Business Development Centers (SBDCs) and from the Service Corps of Retired Executives (SCORE). The BCRC will make available information on a range of financial products including microenterprise loans and private sector lending partners. The organizations listed below have made a commitment to be available to the client as needed. Finally, the BCRC will provide information on securing government contracts.

Additional participants in the Eugene Center include the Lane Community College SBDC, SCORE Chapter 416, Lane Micro Business, Lane Council of Governments, Cascades West Financial Services, Inc. and the State of Oregon Vocational Rehabilitation Division

For further information contact the Lane Business Development Center at (541) 726-2255



## SBA Recognized For Work on Behalf of Native Americans

The Oregon Native American Chamber of Commerce (ONACC) recently presented the U.S. Small Business Administration (SBA) with an Award at a recognition luncheon held in Portland, OR. Andrew Munro, Acting Northwest Regional Administrator, and Phil Gentry, District Director for SBA's Portland Office were present to receive the award and to participate in the luncheon program.

SBA received the award for its positive efforts in helping Native Americans start and run successful businesses. Munro, who was the keynote speaker, spoke of SBA's focus in promoting economic development in Indian Country. He stated that in Fiscal Year 1999, loans to Native Americans increased by **17.1%** and that the dollar value of the loans increased by **10.9%**. Overall, SBA provided **534 loans** valued at over **\$83 million** to Native American firms.

Munro also spoke of SBA's role in helping to establish the Oregon Native American Business & Entrepreneurial Network (ONABEN) providing both initial and on-going funding for the organization. ONABEN was also provided with funding specifically to assist women-owned Native American businesses and home-based businesses. In total, the SBA has provided over \$1.4 million to ONABEN.

In 1996, the SBA partnered with ONABEN to establish three Business Information Centers, located in **Warm Springs, Grande Ronde and the Klamath reservation areas**. These Centers, equipped with the latest in telecommunications, computer hardware and software, copy machines, and business publications, were the first Business Information Centers located on reservation areas in the country.

The SBA also works closely with Native American firms involved in its 8(a) program, helping them with business development and the securing of government contracts. Through a variety of

recognition awards programs, SBA helps promote the capabilities of **all** Native American firms in the marketplace.

In accepting the award, Gentry said: "We are honored to receive this recognition from the Chamber. The SBA has been working hard in ensuring that Native Americans in our district have access to the resources they need to start and grow their businesses. There is still a lot of work to do, and we look forward to working closely with the Chamber and other Native American organizations in building a strong Native American presence in the marketplace."

Governor Kitzhaber's office, ONACC Board Member Clyde Stryker of Spirit Communications, Inc., Gerald Center, of RedHorse, Inc., and other top Native American leaders and businesspeople attended the event.



## Y2K Economic Injury Program



Public Law 106-8, the Small Business Year 2000 Readiness Act, created the Y2K Action Loan Program. Under Section 3(a)(C)(ii), SBA is authorized to provide relief from substantial economic injury suffered by a small business concern as a result of Year 2000 computer problems.

Beginning January 1, 2000 and ending December 31, 2000, economic injury loans will be available under the Y2K Action Loan Program. Y2K loans for the repair or replacement of Y2K dependent equipment, hardware or software can continue to be submitted through December 31, 2000. However, Y2K Economic Injury (Y2KEI) loan applications must be submitted separately from regular Y2K applications.





## SBA's SPEAKERS BUREAU

The Portland District Staff spoke to over 2,000 attendees at 28 functions during the first four months of fiscal year 2000. Our staff is willing and eager to inform the community on our programs and services. To arrange for a speaker for your group or association contact Moe Mowery 503-326-5209.



**G**rants of up to \$150,000 aimed at reducing workplace injuries and illnesses are available.



The Worksite Redesign Program awards grants to employers, unions, industry associations, and educational institutions for research (\$50,000 maximum), development (\$100,000 maximum), or a combination (\$150,000 maximum) that will help solve a workplace problem for which solutions are not commercially available. Grants require only ten percent matching funds from the applicant and may be used to research causes of workplace injuries and illnesses, develop a solution to a workplace safety, health, or ergonomic problem, or to design a process or product to solve such a problem.

Proposals are reviewed by a committee made up of three labor and three management representatives from the public sector and one tie-breaker from the Oregon Department of Consumer and Business Services. The Worksite Redesign Grant Program is funded by the Workers Benefit Fund, which comes from employer assessments and employee contributions.

Pat Kraft of the Oregon Manufacturing Extension Partnership is Project Manager for several of these projects. He states that this is an exciting program providing real value to Oregon companies.

Grants approved include \$33,434 to help manufacturing employees avoid repetitive motion injuries

while testing controls on heating and ventilation units by partial automation of the process, and \$142,285 to research feasibility and create guidelines for using synthetic rope instead of heavy wire rope in logging operations.

Product grants to help employers purchase technology developed within the Worksite Redesign Grant Program are also available through a separate application process.

Grant application packets and further information are available from the Worksite Redesign Program. Call 800-922-2689 or 503-378-3272 to request packets, or download them in PDF format from the Oregon OSHA Web site, [www.cbs.state.or.us](http://www.cbs.state.or.us). Oregon OSHA is a division of the Department of Consumer and Business Services.



New  
7(a) Wizard



Authorization wizard Version 3.0 is available and **must be** in use by all lenders no later than MAY 11, 2000 for all 7(a) and LowDoc loans.

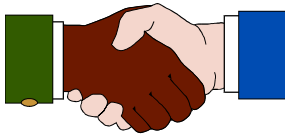
**Lenders Access Version 3.0** on SBA's Internet Banking site at:

<http://www.sba.gov/banking>

Or by **Floppy Disk** - A floppy disk containing the Boilerplate and the Wizard setup file can be obtained from any SBA Office. Contact Esther Schulze at 503-326-5227 for a copy.

**Lenders will be receiving a more detailed notice from this office.**





## MINORITY ENTERPRISE DEVELOPMENT

The 8(a) Business Development program provides assistance to small businesses owned by socially and economically disadvantaged individuals. Development opportunities include counseling and the opportunity for negotiation and award of sole-source and competitive contracts to qualified firms. During the first quarter of FY 2000 SBA assisted 27 businesses with 16 contract awards valued at \$1,731,622.87 and 65 modifications worth \$2,959,099.73 for total contracting activity of \$4,690,722.60.



## Y2K ROLLOVER PREPARATION

The final three months of calendar 1999 were extremely busy, mailing toolkits and insuring Portland area and Oregon small businesses and home-based businesses knew where to get assistance.

With the help of *THE OREGONIAN*, the City of Portland's Y2K Council/Neighborhood Association and many others, the SBA was able to mail or handout over 699 Oregon Y2K Statewide Task Force Toolkits. These toolkits contained both program management tools to determine business risk, and test the equipment and software on hand, but also included the YMARK2000 BIOS tester for rollover and the February 29<sup>th</sup> problems, Microsoft's® Year 2000 tester and even a BIOS fixing software program with instructions.

During those months, the Task Force completed 34 more Y2K general training sessions, eight major media events involving TV, Radio, and Print Media, along with multiple mailings and faxing of Task Force Alerts.

Beginning December 18<sup>th</sup>, the Task Force set up a Rapid Response system where callers could call in for one-on-one assistance with the toolkits or other Y2K related support. Then on December 31<sup>st</sup>, the Task Force setup a telephone HELP-LINE from noon until after midnight on New Years Day.

At the end of February, we turned our attention to the potential for Leap Year problems: software or hardware not recognizing February 29 as a date or adding February 30 or 31, or calculating the wrong number of days in the month for payroll and other calculations. A few minor incidents were reported, including a problem with a minor SBA database. For the most part, the Leap Year problem did not affect day-to-day transactions and was not disruptive of overall operations.

SBA accomplished the Y2K Educational mission in concert with its Task Force Partners:

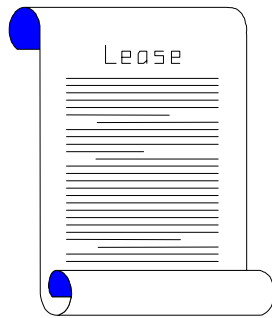
Oregon Manufacturing Extension Partnership,  
Oregon State University Extension Service,  
Oregon Small Business Development Centers and  
Oregon Economic and Community Development  
Department (OECD) Department (OECD)



## New Procedures



All orders for SBA non-downloadable forms and publications should be made directly to our warehouse facility by accessing the Internet Website at <http://propshop.psc.gov>. Once you enter the site, scroll down and on your left you will see "SBA New User Instructions." Please click on "instructions" to guide you through the ordering process. Your user name will be [sba](#) and the password is [field](#). When you finalize your order, the system will ask for method of payment. Please choose "Memo of Agreement (MOA)."



### Borrower's Tenants Must Subordinate Lease Interest to Lender/SBA Trust Deed

SBA lenders are aware that there are SBA requirements about leasing project real estate (real estate financed by the SBA loan), but some lenders may not be aware of the legal closing requirements as to the tenants.

The SBA (or SBA guaranteed lender) must have the right to take over the entire building if it is necessary to foreclose. That is only possible if the SBA trust deed is superior all tenant leases. In



most cases, that requires that the tenant agree to subordinate its interest to the trust deed. This requirement must be included for commercial real estate when there are tenants.

All too often, the borrower is not alerted of this requirement until it is time to close the loan. This can cause difficulties, particularly when the SBA loan is a 504 debenture, and the project is already complete through an interim loan. If the tenant is not alerted to this requirement early on, all of the parties can be put in a difficult spot at closing.

Please be sure to ask your borrower at the time of application whether there are any tenants (besides the Operating Company). List those tenants in the application and make sure that the borrower is aware of the subordination requirements. Then make sure that the subordination requirement is included in the Loan Authorization. This will avoid headaches for everyone when closing time comes.



### FY 2000 LOAN PRODUCTION as of 03/31/00

LENDER NAME	NUMBER OF LOANS	APPROVAL AMOUNT \$'s
ALBINA COMMUNITY BANK	3	969,000
AMRESKO INDEP. FUNDING INC.	1	1,632,000
BANK OF AMERICA	2	460,000
BANK OF ASTORIA	1	520,000
BANK OF CLARK COUNTY	8	1,441,500
BANK OF SOUTHERN OREGON	1	80,000
BANK OF THE CASCADES	4	248,500
BANK OF THE WEST	2	581,500
BANK UNITED	4	3,025,000
BORREGO SPRINGS BANK	3	1,355,000
CASCADES WEST FINANCIAL SERVICES, INC.	6	1,960,000
CCD BUSINESS DEVELOPMENT CORP.	2	1,239,000
CENTENNIAL BANK	11	2,524,500
CIT SMALL BUS. LENDING CORP.	10	4,888,300
CITIZENS BANK	1	60,000

**FY 2000 LOAN PRODUCTION as of 03/31/00**  
(CONTINUED)

LENDER NAME	NUMBER OF LOANS	APPROVAL AMOUNT
CITY NATIONAL BANK	1	302,000
COLUMBIA RIVER BANKING COMPANY	5	766,000
COMMUNITY FIRST BANK	1	105,000
EVERGREEN COMMUNITY DEVELOPMETN ASSN.	7	4,272,000
FIRST INDEPENDENT BANK	1	55,000
FIRST SECURITY BANK	1	51,500
FIRST UNION SMALL BUS. CAPITAL	14	9,843,200
GE CAP. SMALL BUS. FINANCIAL CORP.	3	1,392,000
GOLETA NATIONAL BANK	1	277,000
HELLER FIRST CAPITAL CORP.	3	2,132,000
IMPERIAL BANK	2	140,000
KEY BANK	14	1,623,200
McKENZIE STATE BANK	1	95,500
MID-VALLEY BANK	1	180,000
NORTHWEST SMALL BUS. FINANCE CORP.	4	3,499,000
OREGON CERTIFIED BUSINESS DEV. CORP.	1	558,000
PACIFIC CONTINENTAL BANK	34	8,416,100
PACIFIC CREST	1	260,500
PEOPLE'S BANK OF COMMERCE	20	2,378,500
SCOTIABANK	1	150,000
SCOTT VALLEY BANK	1	60,000
SOUTH UMPQUA STATE BANK	1	27,000
COWLITZ BANK	2	420,000
THE MERCHANTS BANK	4	526,000
TODAY'S BANK	5	780,045
TRANSAMERICA SMALL BUS. SERVICE	1	310,000
US BANK, NATIONAL ASSOCIATION	24	10,793,000
VALLEY BANK	40	9,032,130
VALLEY OF THE ROGUE	1	91,100
WASHINGTON MUTUAL BANK dba WESTERN BANK	9	772,800
WELLS FARGO BANK	4	952,100
WEST COAST BANK	16	3,035,700
WESTMINSTER DEVELOPMENT BANK	1	60,000
ZIONS FIRST NATIONAL BANK	1	351,000
<b>TOTAL</b>	<b>285</b>	<b>84,691,475</b>



U.S. Small Business Administration, Portland District Advisory Council &  
SCORE (Service Corps of Retired Executives) Chapter 11

Invite you to join us in recognizing the best of Oregon's Small Business Persons,  
Small Business Advocates and Special Award Winners  
at the



# 5TH ANNUAL SALUTE TO SMALL BUSINESS

MAY 17, 2000



Benson Hotel  
Mayfair Room  
309 SW Broadway Ave  
Portland Oregon

6:00 P.M. - Registration & No Host Reception  
7:00 P.M. - Dinner & Awards Presentation



\$45.00 per person - \$450.00 per table (seats 10)

**AFTER MAY 10<sup>th</sup>**

\$55.00 per person - \$550.00 per table

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Contact

Name: \_\_\_\_\_ Phone: \_\_\_\_\_

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Name

Choice of Entrée:

Pacific King Salmon \_\_\_\_\_

Chicken Wellington \_\_\_\_\_

Vegetarian Plate \_\_\_\_\_

Entree

RSVP by **May 1, 2000** to:  
SMALL BUSINESS ADMINISTRATION  
Attn: Marty Smiley  
1515 SW Fifth Avenue Suite 1050  
Portland OR 97201-5494

Please make checks payable to: **SCORE CHAPTER 11**

(503) 326-5223  
Fax (503) 326-5103